



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Provide Direction Regarding Requested Ordinance Change Increasing the Number of Legal Cardroom Games, Expanding Cardroom Hours and Increasing the Number of Tables.

MEETING DATE: January 7, 2009 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: Provide staff direction regarding whether to prepare a draft ordinance for Council Consideration.

BACKGROUND INFORMATION: As Council will recall in May of 2006, Council amended its cardroom ordinance to expand the number of games, players per table and tables in Lodi. At the time the applicant, Wine Country Cardroom, requested Council approve the play of all legal California games but Council only opened the door to Texas Hold'em. The owners of Wine Country Cardroom recently contacted the City Attorney's office to ask Council to reconsider expanding the scope to all legal California games and to again expand their hours of operation, and number of tables. Amendments to cardroom ordinances must be reviewed and approved by the California Attorney General's Office prior to their consideration by the City Council. Accordingly we are seeking Council direction on whether to expend staff resources to prepare a **draft** ordinance for the Attorney General and Council consideration.

The requested changes are as follows: 1) Add all games approved by the California Attorney General's Bureau of Gambling Control to the list of eligible games; 2) increase the tables from 8 to 11; and 3) increase the operable hours from 10:00 a.m. until 2 a.m. to 8 a.m. until 4:00 a.m. A **redlined** draft prepared by the applicant is attached.

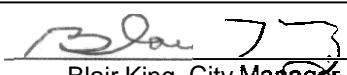
The Police Department and Community Development Department have both indicated that they have no history of complaints or enforcement issues as the cardroom is currently operated.

FISCAL IMPACT: Unknown revenue to the general fund.

Approved: 

Stephen Schwabauer, City Attorney

APPROVED:


Blair King, City Manager

5.12.140 Rules and regulations

It is unlawful to operate a cardroom in violation of any of the following regulations and rules:

A. Not more than one cardroom shall be located at any one address.

B. Only those games approved by and as defined by the, California Office of the Attorney General, Bureau of Gambling Control, shall be played in any cardroom.

C. Not more than eleven tables shall be permitted in any cardroom. No more than eleven tables shall be permitted to operate within the city.

D. Not more than ten players shall be permitted at any one cardtable.

E. Cardrooms shall be located on the ground floor, and so arranged that cardtables and the players at the tables shall be plainly visible from the front door opening when the door is opened. No wall, partition, screen or similar structure between the front door opening on the street and any cardtable located in the cardroom shall be permitted if it interferes with the visibility. No gambling establishment may be located in any zone which has not been specifically approved for such a business. Additionally, none may be located near any of the unsuitable areas, as specified in Business and Professions Code Section 19852(a)(3).

F. No person under the age of twenty-one shall be permitted at any cardtable, nor shall any person under the age of twenty-one be permitted to participate in any game played thereat.

G. Cardrooms may be operated seven days a week and shall not open until the hour of eight a.m. Cardrooms shall close no later than four a.m. A cardroom shall adopt a schedule of hours of operation before it shall be allowed to operate. Such schedule of hours shall be clearly posted at the cardroom in order to provide adequate notice of its hours of operation.

H. All cardrooms shall be open to police inspection during all hours of operation.

I. Only table stakes shall be permitted.

J. The cashing of bank checks for players shall not be permitted in any cardroom.

X. Each cardtable shall have assigned to it a person whose duty shall be to supervise the game to see to it that it is played strictly in accordance with the terms of this chapter, and with the provisions of the penal code of the state. This person may have more than one table under his supervision. He shall not, however, participate in the game.

Deleted: No game except lowball, draw poker, without variations as defined by Hoyle, pinochle, panguini, rummy, Texas Hold 'Em, and contract or auction bridge as those games are

Deleted: California Department of Justice, Division of Gaming Control,

Deleted: eight

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Deleted: on the mornings of Monday, Tuesday, Wednesday, Thursday, and Friday.

Deleted: Cardrooms may remain open until the hour of four a.m. on the mornings of Saturday and Sunday.

L. There shall be posted in every cardroom in letters plainly visible from all parts thereof, signs stating that only games approved by and as defined by the, California Office of the Attorney General, Bureau of Gambling Control, shall be played in the cardroom. These signs shall also contain such other information relating to the regulations contained in this chapter as the chief of police may require.

M. No person who is in a state of intoxication shall be permitted in any cardroom.

N. The sale, purchase, transfer, assignment, or pledge of any property, or of any document evidencing title to the same, is prohibited in any cardroom.

O. The operator or his employees shall not extend credit to a player, nor shall he accept IOU's or other notes, loan money to any person on any ring, watch, or other article of personal property for the purpose of securing tokens, chips, or other representatives of money as an ante.

P. No shills shall engage in card games. This prohibition shall not apply to house players, provided they wear a badge in a conspicuous place, which badge identifies them as employees of the licensee.

Q. Patron Security and Safety. Each cardroom license shall be responsible and liable for its patrons' safety and security in and around the cardroom establishment. Before it shall be allowed to operate, each cardroom shall adopt a plan, to be approved by the city, to provide for the safety and security of its patrons. (Ord. 1779 § 1 (part), 2006)

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Deleted: California Department of Justice, Division of Gaming Control,

WHO we are

Formed in 1994, the National Coalition AGAINST Legalized Gambling (NCAALG) is a nationwide educational group. It informs citizens about the detrimental effects of legalized gambling on the economic, political, social and physical well being of individuals, the community and the nation. Because NCAALG is an educational non-profit 501(c)(3) organization, contributions to NCAALG are tax deductible.

NATIONAL COALITION
ncaalg
AGAINST LEGALIZED GAMBLING

The National Coalition AGAINST Gambling Expansion is the political action arm of NCAALG. The two organizations share the same boards of directors and officers. NCAGE works at the national level and assists grass roots organizations to defeat the expansion of legalized gambling and to roll back legalized gambling.

Because it is a 501(c)(4) non-profit political action committee, contributions to NCAGE are NOT tax deductible. They are helpful, however, because they may be used to influence specific legislation and to encourage citizens to take action to influence voters and legislators.

THE NATIONAL COALITION
NCAGE
AGAINST GAMBLING EXPANSION

Isn't this a moral issue?

Over time, activities that damage a society, its culture, its economy, its families and its ability to survive come to be considered "immoral." It's a bit of a chicken and egg debate. Are activities bad because they're immoral, or are they immoral because they are bad? Consider this:

Gambling

- ▶ Causes addiction
- ▶ Increases bankruptcy
- ▶ Increases crime
- ▶ Increases suicides
- ▶ Contributes to divorce
- ▶ Damages the economy
- ▶ Cannibalizes jobs
- ▶ Corrupts politics
- ▶ Stimulates illegal gambling

It's a free country isn't it?

Important Constitutional duties of state and national government include protecting citizens from dangerous products, health risks, ponzi schemes, false advertising, bait and switch tactics and crime. Gambling fits all of those descriptions and worse. America criminalized gambling twice before in its history. The nation shouldn't have to learn the same lesson three times.

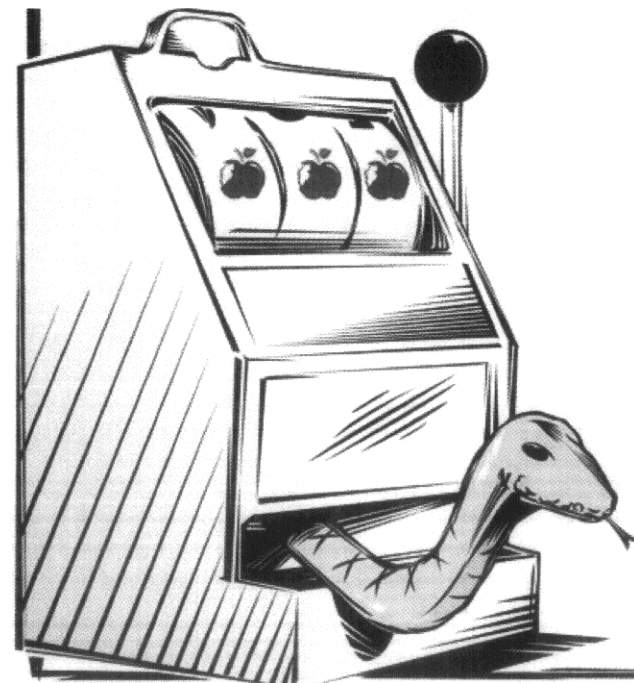
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Brochure Rev. 8/20/04 by Carl Bechtold. Contact carl@spiritmountain.net with comments.

legalized Gambling

THE INSIDE STORY



ARTWORK COURTESY KIP AOKI, HONOLULU STAR-BULLETIN

**Facts every citizen
should know before
gambling comes
to YOUR town**

WHY we care

Gambling brings addiction

When gambling appears in a community, it brings a wave of addiction. In a mature gambling market, compulsive gambling typically seizes the lives of 1.5% to 2.5% of the adult population. That amounts to three to five times the number of people suffering from cancer.

'Gambling is an addictive behavior, make no mistake about it... Gambling has all the properties of a psychoactive substance. and again, the reason is that it changes the neurochemistry of the brain.'

The American Psychiatric Association says between 1% and 3% of the U.S. population is addicted to gambling, depending on location and demographics.² Youth have even higher addiction rates, between 4 and 8%.³

Proximity and poverty matter

Addiction rates double within 50 miles of a casino! Probable pathological gambling in Nevada in 2000 measured 3.5%. Other states ranged from 2.1% in North Dakota in 2000 to 4.9% in Mississippi in 1996! A casino within 10 miles of a home yields a 90% increased risk of its occupants becoming pathological or problem gamblers. Neighborhood disadvantage increases that risk another 69%.⁶ Slots and other gambling machines push susceptible players to the pathological level in an average of 1.08 years, vs. 3.58 years with more "conventional" forms of table and racetrack gambling?

Gambling doubles bankruptcy.

It takes three to five years for gamblers in a newly opened market to exhaust their resources. When addiction ripens in the market, so do the social costs. The most recent study of all the casino counties in the nation confirmed personal bankruptcy rates are 100% higher in counties with casinos than in counties without casinos?

Expect suicides.

A study of addicted gamblers revealed, "Between 20% and 30% of the respondents made actual suicide attempts. No other addictive population has had as high a prevalence for attempts."⁹ Nevada has been the highest in the nation for suicides for 10 of the last 12 years.¹⁰

Gambling increases crime

Desperate to "chase" and recover gambling losses, pathological gamblers often turn to crime. Fraud and embezzlement become common among formerly hard-working and highly trusted people. Violent crimes also increase. Three years after the introduction of casinos in Atlantic City, there was a tripling of total crimes. Per capita crime there jumped from 50th in the nation to first? Comparing crime rates for murder, rape, robbery, aggravated assault, burglary and motor vehicle theft reveals Nevada is the most dangerous place to live in the United States.¹²

Real costs for everyone

Gambling costs more than raising taxes, even for those who NEVER gamble! Each compulsive gambler costs the economy between \$14,006 and \$22,077 per year.¹³ If 2% become addicted, that's \$280 to \$440 per year paid by every other citizen!

Trading Jobskills development

Most casinos attract 80% or more of their market from a 35-50 mile radius. Casinos absorb existing entertainment, restaurant and hotel business, and deplete dollars available to other retail businesses. That destroys other jobs in the trade area and eliminates their sales, employment and property tax contributions.¹⁴

Illegal gambling remains

Legalizing gambling does not reduce illegal gambling.¹⁵ Legalized gambling may even increase illegal gambling because untaxed illegal operators may offer better odds, bigger payoffs and loans that legal operations cannot. Patrons in gambling states feel gambling is generally legal and they are less averse to gambling in unlicensed establishments. Law enforcement in gambling states see illegal gambling as a state revenue issue rather than a criminal activity, and may be less motivated to investigate.

FOOTNOTES For more complete information and citations visit www.ncalg.org

¹ American Psychiatric Association, "Diagnostic and Statistical Manual of Mental Disorders, 4th Edition, Text Revision," Washington, DC: American Psychiatric Association, 2000, p. 234.
² American Psychiatric Association, "Diagnostic and Statistical Manual of Mental Disorders, 4th Edition, Text Revision," Washington, DC: American Psychiatric Association, 2000, p. 234.
³ American Psychiatric Association, "Diagnostic and Statistical Manual of Mental Disorders, 4th Edition, Text Revision," Washington, DC: American Psychiatric Association, 2000, p. 234.

⁴ National Gambling Impact Study Commission, "Final Report" Sec. 4, p. 5.

⁵ Volberg, Rachel A., Ph.D. "Gambling and Problem Gambling in Nevada: Report to the Nev. Depart. of Human Resources," p. iii.
⁶ Welte, John W.; Wieczorek, William F.; Barnes, Grace M.; Hoffman, Joseph H. Reference cited in "The Relationship of Ecological and Geographic Factors to Gambling Behavior and Pathology" p. 15.

⁷ Breen, Robert B. and Zimmerman, Mark. "Rapid Onset of Pathological Gambling in Machine Gamblers" p. 2.

⁸ Gross, Ernie and Morse, Edward. "The Impact of Casino Gambling on Bankruptcy Rates: A County Level Analysis" p. 1.

⁹ Schwer, R. Keith; Thompson, William N.; Nakamura, Daryl. "Beyond the Limits of Recreation: Social Costs of Gambling in Southern Nevada," p. 4.

¹⁰ <http://www.suicidology.org/>

¹¹ Widgery, Robin, President of Social Systems. "Warning: Legal Gambling is a Costly Game," 1994 edition.

¹² Morgan Quitno Press. "Determining the Safest and Most Dangerous State Rankings" http://www.governmentguide.com/community_and_home/where_i_live/factors.asp

¹³ Grinols, Earl L., "Cutting the Cards and Craps, right thinking about gambling economics," p. 14.

¹⁴ Grinols, Earl L. "Gambling in America, Costs and Benefits," p. 55-92.

¹⁵ Abt, Vickie, Ph.D., Univ. Penn. Cited in Executive Summary, Casinos in Florida: An analysis of the Economic and Social Impacts, for the Florida Office of Planning and Budgeting.

HOW you can help

Gambling expansionists spend hundreds of millions of dollars each year influencing lawmakers and voters. To counter their propaganda, we need to visit more communities, print more information and help more people. In short, we need contributions of time and money. Please be as generous as you can.

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